



Montana Rail Link

Montana Rail Link, Inc.
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23/211

October 28, 2011

Cynthia Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street S.W.
Washington, DC 20423-0001

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Office of Proceedings

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**Re: Discontinuance of the Polson Branch Line from M.P. 3 to M.P. 29, a
distance of 26 miles in Sanders and Lake Counties, Montana; STB Docket
No. AB-1092**

Dear Ms. Brown:

Pursuant to 49 CFR 1152.20(a)(1), enclosed is the original and ten copies of Montana Rail Link, Inc.'s "Notice of Intent to Discontinue" (the "Notice") for the above-described branch line.

The Notice is in the form prescribed by 49 CFR 1152.21 and outlines action that may be taken concerning the discontinuance application, which will be filed on or before April 1, 2012.

If you have any questions, please contact me at (406) 523-1539.

Sincerely,

David R. Koerner
Vice President & Chief Financial Officer
Montana Rail Link, Inc.

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Notice of Intent To Discontinue Service

Montana Rail Link, Inc. ("MRL") gives notice that on or about April 1, 2012, it intends to file with the Surface Transportation Board (the "Board"), Washington, DC 20423, an application for permission for the discontinuance of service on a line of railroad known as the "Polson Branch Line" extending from railroad milepost 3 near Agency, MT to milepost 29 near Polson, MT, which traverses through United States Postal Service ZIP Codes 59022, 59824, 59864, 59855 and 59860, a distance of 26 miles, in Sanders and Lake County, Montana. The line includes the stations of Charlo (MP 13), Ronan (MP 19.9), Pablo (MP 25), Dunham (MP 25.7), Salish (MP 27.61) and Polson (MP 29).

The reasons for the proposed discontinuance are a lack of viable rail shippers and the inability, based on low traffic volume, to keep the line profitable. Based on information in our possession, the line does not contain federally granted rights-of-way. Any documentation in MRL's possession will be made available promptly to those requesting it. This line of railroad has appeared on MRL's system diagram map or the narrative in Category 1 since 1987.

The interest of railroad employees will be protected by the fact that all employees serving the Polson Branch Line will be absorbed into the applicant's remaining operations. The application will include the applicant's entire case for discontinuance. Any interested person, after the application is filed on or about April 1, 2012, may file with the Surface Transportation Board written comments concerning the proposed discontinuance or protests to it. These filings are due 45 days from the date of filing of the application. Persons who may oppose the discontinuance but who do not wish to participate fully in the process by appearing at any oral hearings or by submitting verified statements of witnesses, containing detailed evidence, should file comments. Persons opposing the proposed discontinuance that do wish to participate actively and fully in the process should file a protest. Protests must contain that party's entire case in opposition including the following:

- (1) Protestant's name, address and business.
- (2) A statement describing protestant's interest in the proceeding including:
 - (i) A description of protestant's use of the line;
 - (ii) If protestant does not use the line, information concerning the group or public interest it represents; and
 - (iii) If protestant's interest is limited to the retention of service over a portion of the line, a description of the portion of the line subject to protestant's interest (with milepost designations if available) and evidence showing that the applicant can operate the portion of the line profitably, including an appropriate return on its investment for those operations.
- (3) Specific reasons why protestant opposes the application including information regarding protestant's reliance on the involved service [this information must be supported by affidavits of persons with personal knowledge of the fact(s)].
- (4) Any rebuttal of material submitted by applicant.

In addition, a commenting party or protestant may provide a statement of position and evidence regarding:

- (i) Intent to offer financial assistance pursuant to 49 U.S.C. 10904;
- (ii) Environmental impact;
- (iii) Impact on rural and community development; and
- (iv) Recommended provisions for protection of the interests of employees.

A protest may demonstrate that: (1) the protestant filed a feeder line application under 49 U.S.C. 10907; (2) the feeder line application involves any portion of the rail line involved in the discontinuance application; (3) the feeder line application was filed prior to the date the discontinuance application was filed; and (4) the feeder line application is pending before the Board.

Written comments and protests will be considered by the Board in determining what disposition to make of the application. The commenting party or protestant may participate in the proceeding as its interests may appear.

If an oral hearing is desired, the requester must make a request for an oral hearing and provide reasons why an oral hearing is necessary. Oral hearing requests must be filed with the Board no later than 10 days after the application is filed.

Those parties filing protests to the proposed discontinuance should be prepared to participate actively either in an oral hearing or through the submission of their entire opposition case in the form of verified statements and arguments at the time they file a protest. Parties seeking information concerning the filing of protests should refer to § 1152.25.

Written comments and protests should indicate the proceeding designation STB No. AB-1092 and must be filed with the Chief, Section of Administration, Office of Proceedings, Surface Transportation Board, Washington, DC 20423-0001, no later than 45 days after filing of MRL's application. Interested persons may file a written comment or protest with the Board to become a party to this discontinuance proceeding. A copy of each written comment or protest shall be served upon the representative of the applicant at the following address:

Montana Rail Link, Inc.
Attention: Jim Lewis
101 International Drive
Missoula, MT 59808
jlewis@mtrail.com

The original and 10 copies of all comments or protests shall be filed with the Board with a certificate of service. Except as otherwise set forth in part 1152, each document filed with the Board must be served on all parties to the discontinuance proceeding. 49 CFR 1104.12(a).

The line sought to be discontinued will be available for subsidy or sale for continued rail use, if the Board decides to permit the discontinuance, in accordance with applicable laws and

regulations (49 U.S.C. 10904 and 49 CFR 1152.27). No subsidy arrangement approved under 49 U.S.C. 10904 shall remain in effect for more than 1 year unless otherwise mutually agreed by the parties (49 U.S.C. 10904(f)(4)(B)). Applicant will promptly provide upon request to each interested party an estimate of the subsidy and minimum purchase price required to keep the line in operation. MRL's representative to whom inquiries may be made concerning sale or subsidy terms is:

Montana Rail Link, Inc.
Attention: Jim Lewis
101 International Drive
Missoula, MT 59808
jlewis@mtrail.com

Persons seeking further information concerning discontinuance procedures may contact the Surface Transportation Board or refer to the full discontinuance regulations at 49 CFR Part 1152. Questions concerning environmental issues may be directed to the Board's Office of Environmental Analysis.

MRL will make a copy of the application available to any interested person proposing to file a protest or comment at its main office located at 101 International Drive, Missoula, MT 59808, or upon request.

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by the Office of Environmental Analysis will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Any other persons who would like to obtain a copy of the EA (or EIS) may contact the Section of Environmental Analysis. EAs in these discontinuance proceedings normally will be made available within 33 days of the filing of the application. The deadline for submission of comments on the EA will generally be within 30 days of its service. The comments received will be addressed in the Board's decision. A supplemental EA or EIS may be issued where appropriate.